

**ASSEMBLY BILL**

**No. 422**

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**Introduced by Assembly Member McCarty**

February 19, 2015

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An act to add Section 102584 to the Public Utilities Code, relating to transit.

LEGISLATIVE COUNSEL'S DIGEST

AB 422, as introduced, McCarty. Sacramento Regional Transit District: line of credit.

Existing law provides for the creation of the Sacramento Regional Transit District, with specified powers and duties relative to the provision of public transit services. Existing law authorizes the district to engage in temporary borrowing, as specified.

This bill would additionally authorize the district to seek and receive a short term revolving line of credit for operating purposes in anticipation of receipt of operating grants, with the extension of credit to the district evidenced by a note. The bill would authorize the district to pledge anticipated grants and other available revenues as security for repayment of the note and would prescribe other terms.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 102584 is added to the Public Utilities
- 2 Code, to read:
- 3 102584. In addition to the borrowing authority in Section
- 4 102582, the district may seek and obtain a short term revolving

1 line of credit for operating purposes in anticipation of receipt of  
2 operating grants, with the extension of credit to the district  
3 evidenced by a note. The district may pledge the anticipated grants  
4 and any other available revenues as security for repayment of the  
5 note. The note shall have a maturity date of not more than 60  
6 months from the date of issuance. The district may pledge  
7 anticipated operating grants over a multiyear period, as long as  
8 the note is paid in full by the maturity date. The maximum  
9 indebtedness under the note shall not exceed 85 percent of the  
10 amount of the anticipated grants and other funds pledged to repay  
11 the note.

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